

ORDINANCE NO. 08-83

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AUTHORIZING THE MAYOR AND THE CITY CLERK, AS ATTESTING WITNESS, ON BEHALF OF THE CITY, TO EXTEND A CONSTRUCTION LINE OF CREDIT WITH SUNTRUST BANK, A GEORGIA BANKING CORPORATION, AND INCREASE THE AMOUNT TO NOT EXCEED \$18,000,000, MADE TO FINANCE THE CONSTRUCTION OF 300 AFFORDABLE HOUSING UNITS TO BE LOCATED AT 2659 WEST OKEECHOBEE ROAD, HIALEAH, FLORIDA, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY; AUTHORIZING THE PAYMENT OF THE LOAN, WITHOUT PENALTY, OR SECURE OTHER FINANCING SUBJECT TO CITY COUNCIL APPROVAL, OR ISSUE REVENUE BONDS IN THE FORM OF A NOTE FOR THE SAME PURPOSE UTILIZING FEDERAL GRANT FUNDS AND OTHER PROGRAM INCOME; AND IN THE INTERIM, PROVIDING FOR THE NEGOTIATED SALE AND ISSUANCE OF REVENUE BONDS AND THE EXTENSION AND REFUNDING OF A BOND ANTICIPATION NOTE TO SUNTRUST BANK, EACH WITH A PRINCIPAL AMOUNT NOT TO EXCEED \$18,000,000 TO EVIDENCE THE LINE OF CREDIT; AWARDING THE REVENUE BONDS AND BOND ANTICIPATION NOTE TO SUNTRUST BANK; DESIGNATING SUCH BOND ANTICIPATION NOTE AS "CITY OF HIALEAH, BOND ANTICIPATION REFUNDING NOTE, SERIES 2008" AND SUCH REVENUE BOND AS "CITY OF HIALEAH, REVENUE BONDS, SERIES 2008"; PLEDGING THE NET RENTAL INCOME OF THE PROJECT, IF ANY, AND FEDERAL GRANTS FUNDS AND OTHER PROGRAM INCOME TO THE PAYMENT OF THE REVENUE BONDS AND BOND ANTICIPATION NOTE AND INTEREST THEREON; PROVIDING COVENANT TO BUDGET AND APPROPRIATE FUNDS AS NECESSARY TO TIMELY PAY THE REVENUE

BONDS AND THE BOND ANTICIPATION NOTE AND INTEREST THEREON; DELEGATING TO THE MAYOR THE AUTHORITY TO FINALIZE THE TERMS AND CONDITIONS OF THE REVENUE BONDS AND THE BOND ANTICIPATION NOTE INCLUDING, WITHOUT LIMITATION, THE MATURITY DATE, PRINCIPAL AMOUNT AND INTEREST RATE THEREON; AUTHORIZING THE EXPENDITURE FOR BANK ATTORNEY'S FEES NOT TO EXCEED \$8,500; AND FURTHER AUTHORIZING THE EXECUTION OF ANY AND ALL DOCUMENTS IN FURTHERANCE THEREWITH; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; PROVIDING PENALTIES FOR VIOLATION HEREOF; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Hialeah, Fla., Ordinance 05-110 (December 13, 2005), the City of Hialeah, Florida (the "City") issued its \$15,000,000 City of Hialeah, Florida Bond Anticipation Note, Series 2005 (the "2005 Note") and entered into a Loan Agreement (the "Line of Credit Agreement") with SunTrust Bank (the "Bank") in order to provide a construction line of credit to finance the cost of the construction of the 300-unit affordable housing project located at 2659 West Okeechobee Road to be owned and operated by the City (the "Project"); and

WHEREAS, the 2005 Note matures on December 1, 2008, and the City needs an additional \$3,000,000 to complete the Project; and

WHEREAS, the Bank has submitted a commitment letter (the "Commitment Letter") to the City, which is attached hereto as Exhibit "A", in which the Bank has agreed to extend the term of the 2005 Note and the Line of Credit Agreement to January 31, 2010 (the "Extended Maturity Date"), and to increase the amount of both to \$18,000,000; and

WHEREAS, it is determined to be in the best interest of the City to accept the Commitment Letter, extend the term of the 2005 Note and the Line of Credit Agreement to the Extended Maturity Date, and increase the amount of both to \$18,000,000; and

WHEREAS, the issuance of bond anticipation notes is authorized pursuant to section 215.431(1), Florida Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: The facts and recitations contained in the preamble to this ordinance are hereby adopted and incorporated by reference as if fully set forth herein.

Section 2: The City hereby authorizes the Mayor and the City Clerk, as attesting witness, on behalf of the City, to enter into an extension of the Line of Credit Agreement with the Bank and an extension and refunding of the 2005 Note (the 2005 Note, as extended, shall hereinafter be referred to as the “2008 Note”), and to increase the amount of both to not to exceed \$18,000,000, to finance the Project, in forms acceptable to the City Attorney. The City further authorizes the payment of the 2008 Note, without penalty, or the securing of other financing subject to City Council approval, or the issuance of revenue bonds for the same purposes, utilizing federal grant funds and other program income. Because of the current volatility in the markets, the City finds and determines that a negotiated sale of the 2008 Note is in the best interest of the City and hereby awards the sale of the 2008 Note and the revenue bonds to the Bank, each with a principal amount not to exceed \$18,000,000, to evidence the line of credit made under the Line of Credit Agreement.

Section 3: The Note is hereby designated as “City of Hialeah, Bond Anticipation Refunding Note, Series 2008” and the Revenue Bond as “City of Hialeah, Revenue Bonds, Series 2008”. The City hereby pledges the net rental income of the Project, if any, and federal grant funds and other program income to the payment of the Revenue Bonds and the 2008 Note and interest thereon, and the 2008 Note and the Revenue Bonds shall provide a covenant to budget and appropriate funds as necessary to timely pay the Revenue Bonds and the 2008 Note and interest thereon. The City hereby delegates to the Mayor the authority to finalize the terms and conditions of the Revenue

Bonds and 2008 Note, in accordance with the terms set forth in the Commitment Letter, including, without limitation, the maturity date, principal amount and interest rate thereon, and authorizes the execution of any and all documents in furtherance therewith.

Section 4: The City authorizes the payment of reasonable bank attorney's fees, not to exceed \$8,500.

Section 5: Repeal of Ordinances in Conflict.

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 6: Penalties.

Every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished by a civil penalty not to exceed \$500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty described above, the City may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits.

Section 7: Severability Clause.

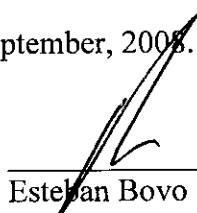
If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance.

Section 8: Effective Date.

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

PASSED and ADOPTED this 23rd day of September, 2008.

THE FOREGOING ORDINANCE
OF THE CITY OF HIALEAH WAS
PUBLISHED IN ACCORDANCE
WITH THE PROVISIONS OF
FLORIDA STATUTE 166.041
PRIOR TO FINAL READING.



Esteban Bovo
Council President

Attest:

Approved on this 27 day of September, 2008.

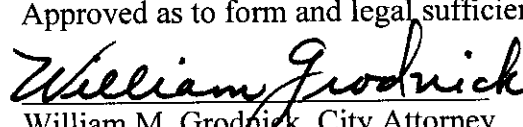


Rafael E. Granado, City Clerk



Mayor Julio Robaina

Approved as to form and legal sufficiency:



William M. Grodnick, City Attorney

Ordinance was adopted by a 6-0-1 vote with Councilmembers Bovo, Caragol, Casals-Muñoz, Garcia-Martinez, Hernandez, and Yedra voting "Yes" and Councilmember Gonzalez absent.